



# Kit Bond

## Sixth Generation Missourian

<http://bond.senate.gov>

JULY 2003

## AGRICULTURE NEWS

### **Bond Says Stimulus Bill Good for Missouri Families, Farms and Small Businesses**

U.S. Senator Kit Bond hailed the final passage of the Jobs and Growth Tax Relief bill, which was signed into law in late May, as good news for Missouri families, farmers and small businesses.

"The central economic problem is a business slowdown, with not enough jobs being created," said Bond. "I expect that this tax stimulus will benefit all taxpayers, but small business owners will be the primary beneficiaries. That is good news because most of the new jobs we create come from small business growth and this tax relief should directly stimulate small businesses to hire more people and purchase more equipment."

As Bond commented on, some of the most stimulative provisions in the bill are directed at the small business community. Currently, small businesses create more than 2/3 of net new jobs. If small businesses are able to retain more capital through income tax relief and spend that extra money on expanding business and hiring more workers, creating tremendous job growth.

The income tax rate reductions provides exactly this kind of relief for small businesses, as over 80% of small businesses pay taxes in the highest bracket. Once this bill becomes law, businesses can begin to plan for future growth and development by estimating the taxes they will save from this stimulus package.

"I commend the Senate and House conferees for their hard work in expediting a growth package for passage before Memorial Day recess because it just might provide the kind of stability our markets need in these volatile financial times," said Bond.

Even though this tax bill is one of the largest passed in history, Bond stressed that even more tax relief is needed – specifically the permanent extension of Section 179 small business equipment expensing to \$100,000, so that small businesses can rely on that relief in the future. In addition, Bond has advocated to increase the amount of venture capital available to small businesses. He thinks this should occur by chang-

ing the code to permit tax-exempt organizations to invest in SBICs without the burdens of unrelated business taxable income (UBTI) record-keeping or tax liability. Most tax-exempt organizations will not invest in SBICs because of UBTI liability, thereby preventing greater access to an important source of capital for small enterprises.

### **Bond Blasts Europe for Biotech Ban**

U.S. Senator Kit Bond on May 23 introduced a resolution supporting U.S. trade action against the European Union on agriculture products and commending the President's decision to stand up for U.S. trade rights before the World Trade Organization (WTO).

"This action is right on principal, right on law, right on science and morally right," said Bond. "The European Union, for reasons rooted in old fashioned agricultural protectionism, has placed an illegal moratorium on U.S. crops produced with scientifically approved biotechnology and this illegal moratorium should be confronted."

Bond's resolution highlighted the many contributions biotechnology has made to the field of agriculture, the environment, and its potential to improve the quality of life and health in the developing world. The resolution's main focus, however, was on criticizing the Europeans for closing their markets to bioengineered foods. The ban has been a major cost to American agriculture interests – U.S. farmers lost \$300 million a year in corn exports, creating a trade infraction. Most tragic, Bond pointed out, is that the Europeans' refusal to accept biotechnology has resulted in some countries in the developing world refusing to feed their starving people.

"Regrettably, Europe's fastest growing exports are hysteria and under appreciated plant scientists," said Bond, asking the Europeans to "Join us in our efforts to help feed the world, not scare the world."

Bond has long been one of biotechnology's strongest advocates, working to authorize and fund major new initiatives at the U.S. Agency for International Development, the Department of Agriculture, and the National Science Foundation to bring the power of new plant technol-

ogy to the developing world where hunger, poverty and disease result from poor food production.

Biotechnology's main advocates include some of the world's leading scientists. In this country, farmers, scientists, regulators, courts, shareholders, elected officials, editorial boards and consumers have all ratified biotech products and processes. Bond said, "The scientific consensus on this matter is overwhelming. For all practical purposes, it is a settled issue and will remain so, so long as our system remains science based and our regulators remain diligent."

Over the last several months Bond has urged the President to act against the EU's biotech ban. Today he praised the President's recent lawsuit before the World Trade Organization over the European moratorium. Speaking with the President last week and again today, Bond asked the President to press the issue at the upcoming G8 meeting in France.

"The EU made agreements with us to abide by rules that they are now flagrantly ignoring. They made promises that they should keep and the U.S. and its partners should press their rights before the WTO for the good of everyone including the EU," said Bond. "It is not legal for the EU to prevent safe food from entering their country on some trumped up baseless charge that it is not safe. The science and the law are clear on the matter."

### **Bond Announces Good News for Missouri's Renewable Fuels Industry and Rural Economies**

U.S. Senator Kit Bond announced on May 6th the finalized USDA rule for the Commodity Credit Corporation (CCC) Bioenergy Program.

"This is good stuff for MO beans and corn. This program encourages the use of bioenergy, an arena in which our state continues to lead. Not only does this initiative bring us closer to achieving Missouri's first biodiesel production plant, it also encourages continued investments in ethanol facilities," said Bond, one of the renewable fuels industry's strongest advocates.

"I commend the President and USDA for their hard work and positive outcome."

Created to increase production of domestic renewable energy sources, the BioEnergy Program provides cash incentives to ethanol and biodiesel producers. Increased production of renewable energy not only strengthens the income of soybean and corn producers and improves rural economies, it also decreases the United States' dependence on foreign oil.

The final rule for the Bioenergy Program includes three major changes that will benefit Missouri's renewable fuels industry:

- \* The payment rate on new soy-based biodiesel production is raised in the final rule to the rate applied during the first two years of the program. The proposed rule significantly lowered the payment rate. This was a problem for soy-based biodiesel production due to current cost of production estimates. The problem in the proposed regulation will be remedied in the final regulation;

- \* The payment rate for animal fat-based biodiesel production will be raised from the proposed rule;

- \* Increased commodity purchases will remain the focus of the program, but existing base production will also be eligible for payments. That means that a facility will be compensated for increased production as well as base production. There will be a phase-out associated with the subsidization of base production levels. The compensation formula will be based on 50 percent of base production during 2003, 30 percent for 2004, 15 percent for 2005, and phased out completely in 2006.

## Bond Applauds Approval of Northwest Missouri Cattleman to Farmer Lending Board

*Congratulations to Glen Klippenstein for Nomination to Farmer Mac Board*

U.S. Senator Kit Bond applauded the Senate's June 3rd unanimous support for Glen Klippenstein, of Northwest Missouri, to be a member of the Farmer Mac board of directors.

On the board of Farmer Mac, Klippenstein will work to improve the availability of mortgage credit for America's farmers, ranchers, rural homeowners, businesses and communities.

Klippenstein owns and operates a very respected, large cattle-breeding operation located in northwest Missouri and is considered one of the leaders in the cattle breeding industry. He served in the Missouri Senate in 1993 and 1994 and has an impressive list of honors and appointments for his contributions to the agriculture industry.

"Glen knows as much about livestock genetics as any man on the planet, and his own pedigree is 100 percent agriculture. His ancestors have farmed three continents and were practicing Menonites. Glen understands rural America, believes in its value and is unquestionably dedicated to its success, said Bond." His experience and character would be of great benefit to the board of Farmer Mac and the citizens of rural America. I congratulate Glen for this honor and thank the Chairman for expediting his consideration."

The Agriculture Committee and the U.S. Senate approved Klippenstein's nomination unanimously.



### Keep In Touch Kit Bond

#### Washington, DC

Russell Senate Office Bldg.  
Room 274  
Washington, DC 20510-2503  
(202) 224-5721

#### Jefferson City

Office of Constituent Services  
308 E. High, Suite 202  
Jefferson City, MO 65101  
(573) 634-2488  
FAX (573) 634-6005

#### Kansas City

911 Main Street  
Suite 2224  
Kansas City, MO 64105  
(816) 471-7141  
FAX (816) 471-7338

#### St. Louis

7700 Bonhomme, Suite 615  
St. Louis, MO 63105  
(314) 725-4484  
FAX (314) 727-3548

#### Cape Girardeau

339 Broadway, Room 140  
Cape Girardeau, MO 63701  
(573) 334-7044  
FAX (573) 334-7352

#### Springfield

1700 S. Campbell  
Suite E  
Springfield, MO 65807  
(417) 864-8258  
FAX (417) 864-7519

#### Cyberspace

<http://bond.senate.gov>



Senator Bond joined the National BioDiesel Board in their Campaign to raise awareness for alternative fuels, specifically biodiesel. The event featured motor sports entrepreneur Russ Gehrke's biodiesel-fueled Dodge pickup's cross-country trek.